# CITY OF FLORENCE, KENTUCKY

### Commercial Development Update Fall 2015

The City of Florence *Commercial Development Update* provides information on commercial development projects recently completed or projects in the process. Information also is included about the general strength of the various commercial sectors that make up Florence's center of commerce.

#### **Retail Activity**

**Overview:** The regional market direct vacancy rate is 8.5%. Only four submarkets in the region have vacancy rates of 10% or higher. Direct retail vacancy rates are very positive in northern Kentucky, and all northern Kentucky markets perform better than the region: Kenton County, 6.0%; Campbell County, 7.7%; and Boone County, 5.1%. The Boone County rate includes Florence, which makes up a vast majority of the retail inventory in Boone County. When Florence is analyzed separately, the Florence direct retail vacancy rate is 3.8%.

- + **ABRA Auto Body & Glass, 5980 Merchants Drive:** ABRA Auto Body & Glass submitted a Change in an Approved Concept Development Plan for a 1.1793 acre site located at 5980 Merchants Street, which currently serves as a towing business. The request is to allow an auto body repair and glass business to operate from this location. This proposal will proceed through Boone County Planning Commission's concept development plan approval process, with BCPC's recommendation being forwarded to Florence City Council for action.
- + **Aldi, Houston Road & Bushelman Boulevard:** Aldi is constructing an 18,000 sq. ft. store, located at the corner of Houston Road and Bushelman Boulevard. Construction commenced during summer, 2015, with anticipated completion in spring, 2016.
- + **Domino's, 7550 Dixie Highway:** Cobblestone Street II, LLC submitted a Change in an Approved Concept Development Plan for a 1.633 acre site located at 7550 Dixie Highway (former bank building). The request is to allow the former bank building to be converted and remodeled for a Domino's Pizza restaurant. This proposal will proceed through Boone County Planning Commission's concept development plan approval process, with BCPC's recommendation being forwarded to Florence City Council for action.
- + Florence Heights, Mall Road & Heights Boulevard: Development of Florence Heights continues. Site development commenced in fall, 2014, and the infrastructure work has been ongoing since that time. Construction of the Costco building is well underway, with a planned opening of November 11, 2015. Dave & Buster's started construction on their building this month, and Menard's plans to begin construction on their building in spring, 2016. While not officially a part of the Florence Heights development, Planet Fitness is constructing a new facility at the corner of Mall Road and Heights Boulevard,

with a planned opening in fall, 2015. There are two to three outparcels along Mall Road that are being marketed as restaurant locations. The overall development will include new and/or enhanced public infrastructure for egress from and ingress to the site.

- + Florence Square, Mall Road: Following a successful construction of the new Kroger Marketplace last year, Brixmor Properties continues their enhancements at Florence Square. Burlington (f/k/a Burlington Coat Factory) is renovating the end-cap of the center, where Kroger was previously located and opened on October 16, 2015. On outparcels at Florence Square, a new commercial building is being constructed that will include First Watch and two other to-be-named tenants. First Watch opened on October 12, 2015. Additionally, Gold Star Chili will be locating to the former Stafford Jeweler's building, with renovations that commenced in fall, 2015.
- + **Gunpowder Center, U.S. 42 & Gunpowder Road:** Florence City Council gave approval in January 2015 to a concept development plan that would permit a **CVS** to locate at the corner of U.S. 42 and Gunpowder Road. Along with this approval, city council approved a zone change from residential to commercial, in conjunction with an annexation of property into the incorporated limits of the city. CVS is scheduled to open in fall, 2015.
- + **McDonald's, 7909 Dream Street:** McDonald's is redeveloping its Dream Street location that includes constructing an entirely new building. Construction is underway, and the "new" McDonald's is scheduled to open by the end of the year.
- + **Raising Cane's, 8020 Burlington Pike:** Raising Cane's, a new concept to northern Kentucky, is constructing a building at 8020 Burlington Pike, the former vacant Chevron gas station. Raising Cane's plans to open on November 26, 2015.
- + **Slim Chickens, 7840 Mall Road:** Slim Chickens, a new concept to the region, has requested a change in an approved concept development plan to construct a 4,000 sq. ft. restaurant at 7840 Mall Road, currently the former Fifth-Third Bank building in front of Florence Mall. Because this is a change in an approved concept plan, Slim Chickens will follow the public hearing process at the Boone County Planning Commission, with future action by Florence City Council.
- + Wendy's, 7910 Dream Street: Wendy's, located at 7910 Dream Street, is currently undergoing a "refresh" to its building that will include a new fascia and other minor renovations.

## **Professional & Medical Office Activity**

**Overview:** The region's overall vacancy rate remained steady at 20.7%. The region's office market is witnessing the return of investor interest, as investment sales activity increased over the course of the year. In northern Kentucky, the office market is identified by only two markets: Northern Kentucky Riverfront and Northern Kentucky. The Northern Kentucky Riverfront market includes the riverfront of Covington and Newport, while the Northern

Kentucky market includes the rest of the three counties. The Northern Kentucky Riverfront market vacancy rate is 32.4%, and the Northern Kentucky market vacancy is 17.7%. When analyzed separately from the rest of Northern Kentucky, the Florence office vacancy rate is 13%.

- + **Heritage Bank Operations Center, Dream Street:** Heritage Bank moved its Operations Center to a building it acquired on Dream Street. Heritage Bank was able to participate in the City of Florence's incentive program for bringing new professional jobs to Florence and for utilizing a building that was vacant.
- + **Kemba Credit Union, Merchants Street:** Kemba Credit Union is constructing a new 4,000 sq. ft. building at Merchants Street and Seligman Drive.
- + Matrix Liquid Manufacturing, 11 Girard Street: Matrix Liquid Manufacturing located its office headquarter operations to a vacant building at 11 Girard Street in January, 2015. This site will provide back-office and sales support to its customers and suppliers throughout the country. Matrix indicated it was able to locate at 11 Girard Street because of the city's business growth and development incentive program.
- + St. Elizabeth Healthcare Urgent Care and Commonwealth Orthopedics Medical Office Building, U.S. 42 (former Natorp's site): Earlier this year, St. Elizabeth Healthcare opened a new Urgent Care center and Commonwealth Orthopedics opened an expanded office at the site of the former Natorp's Nursery.
- + **UC Health, Cavalier Boulevard:** The first phase of a UC Health facility opened last fall on Cavalier Boulevard. The first phase included a 40,000 sq. ft. building. Primary medical services at this location include family medicine, obstetrics and gynecology, neurology, and dermatology. UC Health owns additional undeveloped land at this location that could allow UC Health to expand its physical presence and services in the future.

## **Industrial Activity**

**Overview:** The region's overall vacancy rate is 5.9%. With fewer existing options available to owner-occupants, build-to-suit construction activity will likely be what drives future growth. This certainly holds true in Florence, with a vacancy rate of 1.4%. In northern Kentucky, the Airport market (Hebron, Burlington, and Erlanger areas) vacancy is 4.7%, Covington market (Covington and suburban Kenton County north of I-275, exclusive of Erlanger) is 8.6%, Florence/Richwood market (Florence, all of Boone County south of Florence, and all of Kenton County south of I-275, exclusive of Erlanger) is 1.8%, and a Campbell County market (all of Campbell County) is 8.6%.

+ Cincinnati/Northern Kentucky International Airport Development Parcels: The City of Florence and Cincinnati/Northern Kentucky International Airport are working to bring 177 acres of airport property off of Bushelman Boulevard into the city limits of Florence. The airport board recently approved the move, and the subject will be before

Florence City Council in the near future. This will help to facilitate new advanced manufacturing and other primary industry in the area.

#### **Other Activity**

- + **Florence Storage, 7501 US Highway 42:** Imbus Enterprises submitted a Change in an Approved Concept Development Plan for a 5.2 acre site located at 7501 US Highway 42, the former Florence Nursery property. The request is to allow a self-storage facility. This proposal will proceed through Boone County Planning Commission's concept development plan approval process, with BCPC's recommendation being forwarded to Florence City Council for action.
- + Magnolia Springs Senior Living, Ewing Boulevard & Dream Street: Magnolia Springs Senior Living Campus is currently under construction on several acres at Ewing Boulevard and Dream Street that were previously undeveloped. This development will include approximately 100 independent senior living residential units. Planned opening is October, 2016.
- + Senior Independent Living, Seligman Drive and Vandercar Way: An independent senior living residential development received approval from the Boone County Planning Commission for a development at Seligman Drive and Vandercar Way, which would include 48 units. The concept development plan will next come to Florence City Council for action.
- Villages of Florence, Hopeful Church Road: Villages of Florence has submitted a change in an approved concept development plan for the 33.81 acre site on Hopeful Church Road, south of Kelly Drive. This proposed development would offer 177 single-story rental apartment homes with private attached garages. This proposal will proceed through Boone County Planning Commission's concept development plan approval process, with BCPC's recommendation being forwarded to Florence City Council for action.